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World Chronicle

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WORLD SUMMIT FOR SOCIAL DEVELOPMENT

Amb. Juan Somavia, Chairman of the Preparatory Committee for the World Summit for Social Development, elaborates on a wide range of issues in reference to the forthcoming Social Summit. There is a consensus among governments on the importance of combatting the social ills affecting all societies. This is the first time that Heads of State and Government will meet to discuss the needs of ordinary people. There are shared values concerning the need to combat poverty, unemployment and other problems of social integration. Poverty creates exclusion from society; employment and the eradication of poverty reduce social tension and improve the quality of life. Amb. Somavia believes that the Social Summit will achieve its goal.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is World Chronicle.

During the second half of this century, the world has witnessed unprecedented material progress. But the benefits of this progress have not been distributed equally. The gulf between rich and poor nations and between rich and poor citizens has widened dramatically. To work together to find collective and sustainable solutions to this painful reality, the world community has decided to hold a World Summit for Social Development in March of 1995.

Our guest today has a special interest in the issue of social development. He is Ambassador Juan Somavia, Chairman of the Preparatory Committee for the Social Summit. Joining me to talk with Ambassador Somavia are Norberto Svarzman of Televisa and Evelyn Leopold of Reuters. Ambassador Somavia, welcome to World Chronicle.

SOMAVIA: Thank you.

LITTLEJOHNS: Mr. Ambassador, as you know, most people in the host country -- we're in now the United States -- get a little nervous when they hear the word "socialism." How much of this summit conference is going to be socialism, and how much simply social development, regardless of "isms"?

SOMAVIA: Depends on what you mean by socialism.

LITTLEJOHNS: Well, socialism surely means government intervention in many phases of social development. Isn't that what you're trying to do at the summit conference?

SOMAVIA: Well, I think that we have all learned that there's a trilogy of well being, which is open societies politically, ultimately leading towards democracy; sustainable growth in open economies; and equality of opportunity and an intense investment in people. Now, you can do that with a mix, you know. Obviously, governments need to do things, and basically today growth and a lot of social development is done through private enterprise. France has, for example, a long tradition of statism, but you wouldn't call it a socialist state, and the United States has much less tradition. I think that each country finds its own mix. The important thing is not so much that, I think; this is a summit that tries to put people back into the picture. You know, somehow in the last 20 years. as you said in your introduction, we have concentrated a lot on making the world grow, but we have not concentrated sufficiently on making sure that that growth benefits everybody around. And furthermore, you have

a sort of a sense of a feeling of moral indifference towards all of this, that we know that, you know, poverty is growing, unemployment is growing, social tensions are growing -- and this is not just a problem of developing countries, it's both North and South, it's a global issue. And yet, when you try to find where is the leadership, where is the direction, who are the people that are saying that these things simply cannot continue because this is bad for all of us as human beings, you do not find those voices. This is an effort at the UN to try to put that agenda on the table.

LITTLEJOHNS: But a summit conference is not going to change that, is it? I mean, people's attitudes are not going to change because of a summit conference in Copenhagen.

SOMAVIA: No, you don't will away these sorts of problems, but you can get momentum going in a certain direction. It's obvious that the UN Charter on Human Rights did not change that day the situation of human rights in the world, but it established a standard. And we all find today that that standard is useful and necessary. We can begin establishing some joint ideas, some joint vision of what are the minimum needs that people have a right to and that society should give to, which doesn't mean handouts of government. Most of us have seen the way in which private enterprise can create jobs and can create wealth in a number of different circumstances, but you cannot do without government. And the question is how do you get government, the civil society, non-governmental organizations, society as a whole together in deciding that this is a priority. Now, the fact is that we have not decided globally that, for example, eradicating poverty is a priority that the world should pursue. And this is one of the objectives that the Summit has in mind.

SVARZMAN: Mr. Ambassador, we have seen a lot of conferences and summits in the last three or four decades here in the United Nations. We have seen not only the Cairo Population Conference, your president proposed the Social Summit, Colombia proposed a summit against poverty, meetings for social development and economic development, but this is a proof that the schemes of the United Nations, the organs are not working, we have to go outside to make meetings because this -- the structures you have here are useless? Is it the fault of the governments -- I'm not blaming the United Nations, I'm blaming you, the ambassadors, and the governments.

SOMAVIA: I think that in this particular case what you're saying does not apply. Because as compared to all of the ones you just mentioned, this is the only summit that has stemmed from within the system. You know, this was first -- the issue was first touched in the General Assembly by the President of Chile; the specific proposal to hold the Summit was made by me in the Social Committee of ECOSOC in '91; I was charged

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by the Secretary-General to undertake consultations in his name; I made a report; on the basis of that report, ECOSOC approved the idea, and the General Assembly decided to launch it. So this is properly something that came from within the house. Most of the other ones have had the pressure coming from outside. If you look at the Environment Conference in Rio, it was basically the developed world and the ecological movement sort of acting on the UN. And of course here the developing countries said we have to add development to it. The four Women's Conferences have a very strong women's movement behind it that has grown enormously. And so on. The Human Rights has a human rights movement, the Population, population. This one really stemmed from within the United Nations. And this is one of its problems, because -- because it came about this way it doesn't have much visibility.

SVARZMAN: I'm not speaking about visibility, I was speaking about results and why we have to go to conferences when you have the ECOSOC and other organs, UNDP, et cetera, to work on....

LITTLEJOHNS: The Economic and Social Council.

SVARZMAN: Yes.

SOMAVIA: I would say that in this particular case, you know, one has to acknowledge the fact that this is the first time in history that heads of state and prime ministers are going to come together to discuss the problems of the lives of ordinary people. You know, it's quite an event. And I think that it was made necessary because of the fact that social tensions have become, I believe, one of the most central issues of politics in all of our countries. We have, after the end of the cold war, we have replaced the threat of the nuclear bomb for the reality of the social bomb. And it's there all over the place. And it's obvious that poverty, unemployment and social integration, which are the three issues of the Summit, are the most political issues in all of our societies. This is a highly political summit, and that's why it's at the level of heads of state. We need political decisions on this.

LEOPOLD: Ambassador, the developing world has very largely blamed, for years, the IMF and the World Bank for having either structural reform programmes that promote unemployment or having projects that are totally oblivious to the environment and the small communities in which many people live. Now, how are you -- since the United -- since most of the funds for long-term development do not run through the United Nations, even if these two organizations are nominally considered UN, they have no control -- they're not under the UN's control, how do you propose to marshall some of the monies, such as IMF and World Bank, who took years to even pay attention to the environment, to something as basic to their project as this?

SOMAVIA: Well, I'm one of those that believe that we should have a very close cooperation between the UN and the Bretton Woods institutions. They have been, after all, defined in the Charter as specialized agencies, although they do not act as such. I think that that has to be strengthened. Now, in relation to your question in particular, I think that both of these institutions are evolving to understand that unless you take into account the social cost of their programmes those programmes are not going to last in time. We cannot just concentrate on macro-economic equilibriums and forget about macro-social equilibriums. Both things are part of society.

Now, the first adjustment programmes were very inhuman, and the human cost was enormous. You then had a generation -- this was around the middle of the eighties -- then you had a second generation, I would say the beginning of the '90s, in which we were saying now we have to put some sort of a social safety net to these adjustment programmes. Which, of course, basically tried to balance the accounts, which is a reasonable objective. We all know that, from our personal finances, that's a reasonable thing to do. So I'm not against the adjustment, it's how you do it. The second one was put a safety net on it.

We are now moving into the third one. And I think that the Summit is moving in that direction, but also the World Bank and the Fund are saying, look, you cannot just first do the economics of it and then see the social results and then try to minimize the effect, you have to plan it from the outset together. And I have no doubt that if that is the message of the Summit, that is something that the Fund and the Bank will be prepared to move. We have already, in the language that we are putting together, said that whenever you have across-the-board budget cuts, you need to protect basic social expenditures. Which has not been the case until now. So that is a change we are proposing. But in that change, we see the Bank and the Fund getting closer to understanding the need to do these things.

LEOPOLD: How philosophically are you approaching the basic problem of unemployment? There've been reports after report out of the United Nations Secretariat as well as other bodies that unemployment is structural, not just in the developing world but in the developed world, in all of Europe and in North America. The only solution to structural unemployment is part-time work and all sorts of -- say lots of economists -- and all sorts of other radical projects. Is this -- does this play a role at all? Because in looking at the literature of the conference, it just seems to go back to, you know, create some employment and we'll all feel better. Because the problem keeps growing.

SOMAVIA: No, I think that you're perfectly right. We do not have today solutions to the employment problem, that's the point of departure. We're in a process of mobilization and of structural change and of technological change in which we're just beginning to perceive what are the implications of all of this. What we see is just growth without jobs. That's the part of the scenario that we see. But there are much more deeper changes that we are not fully perceiving today. This was made clear in the summit on unemployment that was convened by President Clinton in which there were a number of analyses, but we do not yet have clear where to move. What I see emerging from this summit is to say we may not have clear the structural situation, but what we do have clear is with the instruments that we have today we have to promote more employment. And that means using the tax structure to stimulate employment in terms of investments and a number of similar things.

And second, we know that there is one area of investment that produces a lot of employment, which is small and medium enterprises. Most of the employment being created today comes from small and medium enterprises, all throughout the world, even in the developed economies. So making a decided effort to put credit management capacities, information, access to markets for those who want to develop small and medium enterprises can have an enormous impact on jobs. But this is with the present instruments in the present state of knowledge. The structural problem that you pose is something that is still defying a lot of the economists and the policy-makers.

LITTLEJOHNS: Ambassador Somavia, it's a strange thing that when a big corporation like IBM, for instance, downsizes, as they call it, in terms of personnel, the value of its shares immediately goes up. How are you going to deal with problems like that at this summit? How do you address that situation, that phenomenon?

SOMAVIA: Well, I think that this is part of the previous question, that you have on one side the larger enterprises downsizing and on the other hand the reality that smaller enterprises are the ones creating jobs. Maybe this is a new characteristic of going into the 21st century. Of course it raises a lot of questions of why were enterprises so big to begin with. But in any case, these are the sorts of issues that we need to address. But we're not going to find easy answers. I think that we have to accept the fact that we need to observe and to understand better the way this whole process is going. But we cannot lose sight of the objective. And this is what the Summit is about. We can observe all that we want, but in the process we need to give priority to people, to investment in people. Whatever the result of a structural analysis is, you cannot change the fact that the only way that countries increase their welfare is through investing in people, through bettering their education and having better capacities. And

I think that that is also one of the central messages of the Summit, that although we may be uncertain about certain things, we cannot be uncertain about people. People can only be at the centre of things, and if they're not, societies are not stable and you have a lot of social tension.

LITTLEJOHNS: This is World Chronicle. Our guest is Ambassador Juan Somavia, Chairman of the Preparatory Committee for the Social Summit. Norberto?

SVARZMAN: Ambassador Somavia, going back to the social problem you mentioned, it's a question of robotics, science fiction. You want -- Karel Kapec, the Czech writer, invented the word "robot", which means work. The problem, one of the problems is that now, for example here in the States, the United States, are downsizing as you mentioned, because they can do less -- more with less workers, with the robots or automation. And that moves us on to the other problem, which is the conference in Cairo, the growing population we have. For one, on one side you have industries needing less people, and the other side, the states cannot cope with the social services because they have a growing population. So your Social Summit is going to take the question of automation on one side and second, birth control?

SOMAVIA: Well, I think that if you take a look at the history of economic development and technology, that has always been the function of technology. Technology generally reduces the amount of input of labour, if you want to use any technical terms, the amount of people being employed as it went along. Now, the problem is, as we went along, you know, that same process of economic growth generated other employment. We are now at a moment in which that is not happening in the intense way that it happened before. I think that this -- one of the structural elements that was being mentioned before is that we need to begin looking at work as not the only possible source of income, that we have to begin thinking about livelihood, about the fact that if somebody is born, you know, and if he doesn't get a job, well, what happens to him? Whose responsibility is it? Today the sense is that it's basically that person's responsibility. Which of course in a final sense is true. But we need to combine the question of work with livelihood in a society. Now, these are new issues. And of course it takes time to develop. But one of the things that you will find in the documents of the Summit is to say, look, we have to have a new thinking about the employment issue. The traditional mechanism that you invest here and you produce employment there is not working. So why don't we have -- why don't we rethink the whole area? And of course, population has very much to do with it. I think that there is complete agreement in the world today that unless we achieve the objectives that were set, for example, in the Cairo -- which is to stabilize -- I mean the Cairo Conference -- to

stabilize population by the year 2025, all of these things are going to become extremely complex and difficult.

But again, we need to have a guiding vision throughout the whole thing. While we deal with all of these matters, what is what we should not forget, that we cannot leave aside? And this is the central message of the Summit: we cannot leave aside the fact that whatever decisions we take, they have to be oriented towards protecting and stimulating the creativity of people. Because welfare today, I think, is as much insuring some basic social services as stimulating the capacity of people to become small entrepreneurs, to want to be teachers in a certain community, to want to be themselves and to be creative. The problem is that poverty, what it basically produces is the sense of despondence because you feel the exclusion of society, you feel that you don't belong.

LEOPOLD: No one is going to argue with you about that. Which is I guess what Norberto said before, why are you having this summit? It seems like you're stating truisms without having the funds, the United Nations as a group having the funds or even the potential of getting funds to carry it out. Are you trying to stimulate individual governments, donor countries, to change their attitude? IMF, World Bank? Because these, this type of philosophy has been enunciated in this building before and gone nowhere because of the commitment from member countries. So I'm -- not having your own funds, not you personally as Chile, but as the United Nations as an organization. Maybe you could tell us again what you hope to get out of this conference.

SOMAVIA: No, but I think what -- the objective is precisely to get the momentum going. The fact that, you know, we have not been able to reduce poverty the way we should doesn't mean that we should give up. So if something has not been achieved, it doesn't mean that then you have to try something else. No, you have to continue trying because it's a good objective. So we are going to restate it at a higher level because it hasn't been done. And that's a very good reason to do it, precisely because it hasn't occurred up to now.

Now, in terms of what are the forces that you have to muster in order to deal with this problem, personally I'm convinced that this is something that a society has to assume as a collective responsibility, as a joint responsibility. Let me just give you the example of Chile. For different reasons, in the last presidential election all the candidates said that they felt that the eradication of extreme poverty should be a national objective. Now, you might differ on the methods, on the way of doing it, but it was a national consensus. And today there is a national consensus in Chile that, you know, we cannot have recuperated democracy, have a smoothly running economy and still have more millions poor in our society. We have to eliminate that.

The process of reaching that consensus depends very much on each society. But the fact that we all get together and together say, you know, whichever way we're going to do it in our own society, together we feel that this is something good for the world, because we're going to reduce the tensions and we're going to -- this is our contribution to more security in the world, I think that that is very good because it generates the momentum behind whatever needs to be done nationally.

I think that the resources are there. When you look at the different countries, of course you have to make decisions in terms of how you use your budget, and we always have less funds than the ones needed, from the point of view of expenditures.

LEOPOLD: Where are the resources?

SOMAVIA: But the resources are in the budgets. You know, you can make --

LEOPOLD: You mean individual countries?

SOMAVIA: Individual countries.

LEOPOLD: Yeah.

SOMAVIA: The resources are in the budgets. You can make political decisions to relegate much more of this to enhancing education and a number of other things, to promote private and small and medium enterprises, et cetera. Secondly, the resources are -- there are enormous amounts of resources in the private markets. I think there is a lot of good business in doing social development. We haven't yet looked at it in that way. You have the resources in international institutions. When we were talking, for example, the Inter-American Development Bank has already decided that 50 per cent of its funds, of its loans, should go to projects which promote social development.

The problem with the UN is that -- and the Summit should try to at least stop the drain -- is that in the UN proper, we are giving more and more money for peacekeeping operations and less and less for development programmes. But that, I would say, is our problem here, and we need within the UN to make sure that that tendency, at least in terms of less money for the development programmes, stops in order for the UN to be able to give support to the results of the Summit. But if you look at it worldwide, you also have all the voluntary sector. There are enormous amounts, particularly here in the Ur ted States, that go from the voluntary sector to social development, which is still needed, much more of that, internationally. And you also --

LITTLEJOHNS: Ambassador Somavia, you are the Chairman of the Preparatory Committee. What differences have you identified in the deliberations of your committee among governments?

SOMAVIA: I would say that basically up to now there is a rather large amount of consensus on this. You know. Precisely because it has been posed originally as a

global issue, saying, look, this is something that affects us all. I really often give the example that, if we're talking about poverty, unemployment and social tensions, you know, the city of New York is a really good example of those sorts of problems. So this is truly global, and to the extent that it's global, it makes it much easier to deal with. Now, within that, it is obvious that these problems are more serious in the developing world, particularly Africa and the least developed countries, and you really see this today in the countries with economies in transition, in this particular context. But if you look at it as a global issue, then it is much easier to look for understanding and consensus. Now, if you look at the resource issue proper, then of course you may have tensions as to what should be done internationally.

LEOPOLD: Did the United States not object to putting in all sorts of economic issues, or isn't that solved?

SOMAVIA: Well, we're still in the stage --

LEOPOLD: I don't know how you discuss social without economic, but I think Washington wanted to separate it, debt and so forth. So is that solved, or --

SOMAVIA: That's not, no, that is still on the agenda and we still have five months to -- a lot of time to discuss that.

LITTLEJOHNS: Are you going to wind up with a plan of action? Is that the --

SOMAVIA: Yes, we will have a political declaration that sort of explains the reasons for the Summit, the sort of values that are behind our vision of social development, and then a number of commitments: a commitment to the eradication of poverty linked to employment; on the promotion of social integration and lack of discrimination; on the particular commitment on Africa because of its particular situation; a basic commitment to the equality of men and women; but also a commitment to put resources at the service of this, without necessarily saying, you know, this, this and that should be done now, but that they would eventually. Of course we understand that behind the commitment to eradicate poverty there has to be also a commitment to introduce the resources to do it.

SVARZMAN: Mr. Ambassador, I have a question for your previous answer to my question. When you were speaking about the lack of jobs, you were implying that there were no jobs -- of course with automation. The governments should help to produce new jobs, give jobs to people who are unemployed, chronically unemployed?

SOMAVIA: No. No, I was saying that this is -- this we have to look at as a societal issue. What do we do when the economy doesn't generate the jobs to employ everybody? I mean, whose responsibility is it? Is the responsibility of the unemployed, and we just say, look, you know, tough luck? Some got it, some didn't get it, you didn't

get it, so that's your problem. That's one option. The other is to go the other way, as we were saying, to say, now, anybody who's unemployed should be employed by government. Not realistic, not possible, not good in today's perspectives. So the question is whose responsibility is it? You know. Is it the government's responsibility? It doesn't have the means to do it. In parts, yes, but it doesn't have all the means to absorb everybody who's unemployed. Is it the responsibility of private enterprise? Private enterprise will say, look, our function is not the creation of jobs, our function is the production of goods and services. In that process we produce whatever jobs are necessary, so don't tell us to become.... So when you begin asking, you go around, well, whose responsibility is it to absorb the people that the way the society is working cannot be incorporated, and, you know, sort of everybody looks to the other side.

LITTLEJOHNS: Ambassador Somavia --

SOMAVIA: So we have a common problem, and unless we join together and say, look, this is a common problem, we're not going to have a single solution.

LITTLEJOHNS: In the few seconds we have left, is it going to be a success?

SOMAVIA: I think so.

LITTLEJOHNS: Ambassador Somavia, that's all the time we have. Thank you for joining us on this edition of World Chronicle. Our guest has been Ambassador Juan Somavia, Chairman of the Preparatory Committee for the Social Summit. He was interviewed by Norberto Svarzman of Televisa and Evelyn Leopold of Reuters. I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of World Chronicle.

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